NTABANKULU LOCAL MUNICIPALITY

ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2007

NTABANKULU LOCAL MUNICIPALITY

ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2007

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NTABANKULU LOCAL MUNICIPALITY

GENERAL INFORMATION
for the year ended 30 June 2007

MEMBERS OF THE EXECUTIVE COMMITTEE

1.	**P.S. Matshoba**	*Mayor*
2.	**S.N. Ntlahla**	*Speaker of the Council*
3.	**F. Matiwane**	*Social Services - Chairperson*
4.	**M. Madikizela**	*Head of Finance*
5.	**T.Pikwa**	*Strategic Development - Chairperson*
6.	**N.L. Ndamase**	*Engineering & Infrastructural Development - Chairperson*

OTHER COUNCILLORS

1.	**S. Nompula**	*Councillor - Chief whip*
2.	**T.R. Luvela**	*Councillor – Finance Chairperson*
3.	**P. Ndabeni**	*Councillor*
4.	**J.J.J. Ntlabathi**	*Councillor*
5.	**S. Ngcuka**	*Councillor*
6.	**M. Luhabe**	*Councillor*
7.	**A.N. Ntamo**	*Councillor*
8.	**D.M. Gadalane**	*Councillor*
9.	**S. Sothangane**	*Councillor*
10.	**M. Mtakasi**	*Councillor*
11.	**S. Sigudla**	*Councillor*
12.	**M. Gweqani**	*Councillor*
13.	**Z.W. Gandela**	*Councillor*
14.	**F.N. Mndela**	*Councillor*
15.	**L. Ntantini**	*Councillor*
16.	**P. Mthenjwa**	*Councillor*
17.	**M.G. Diko**	*Councillor*
18.	**M. Thyalibhongo**	*Councillor*
19.	**N.G. Diko**	*Councillor*
20.	**A.N. Sigcau**	*Councillor*
21.	**A.B. Diko**	*Councillor*
22.	**G.T. Khantini**	*Councillor*
23.	**M.G. Magatyana**	*Councillor*

GENERAL INFORMATION (continued)
for the year ended 30 June 2007

GRADE OF LOCAL AUTHORITY
Grade 2

AUDITORS
Auditor-General

BANKERS
-Meeg Bank
-Standard Bank

REGISTERED OFFICE

Erf 85 Main Street	Telephone:	039 – 258 0056
Ntabankulu	Facsimile:	039 – 258 0003
5130		

MUNICIPAL MANAGER
T.L. Manda

CHIEF FINANCIAL OFFICER
M. Mkatu

APPROVAL OF FINANCIAL STATEMENTS

The annual financial statements set out on pages 1 to 25 were approved by the Municipal Manager and the Chief Financial Officer on 31 August 2007.

MUNICIPAL MANAGER	**CHIEF FINANCIAL OFFICER**
(Accounting Officer)	
31 August 2007	**31 August 2007**

FOREWORD
for the year ended 30 June 2007

While inroads on service delivery have been made, an optimal level of service delivery is being held back by several challenges faced by the municipality. Among the serious and ongoing challenges faced by council is low collection rate of revenue particularly from the rates and services rendered by the municipality to the communities under its jurisdiction. To address this problem the municipality has now involved the councilors as well as ward committees to convey the message to the communities and encourage them to pay their outstanding debts.

Another major challenge facing the council is the high rate of unemployment which is unfortunately a direct result of the non-payment of services. The municipality has embarked on several Local Economic Development projects aimed at reducing the poverty rate and encouraging the self dependency in our communities.

We also have a challenge to grow our revenue base as we seek to progressively reduce the extent of reliance on Provincial and National government funding. The success of initiatives discussed above will automatically result in sustainable improvement in the municipality's development capabilities.

In conclusion I would like to express my appreciation to my fellow Council members, both the offices of the Municipal manger and the Chief Financial Officer as well as all other staff for their support, co-operation and hard work during the year under review.

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P.S. Matshoba

MAYOR AND CHAIRMAN OF THE EXECUTIVE COMMITTEE

TREASURER'S REPORT
for the year ended 30 June 2007

1. INTRODUCTION

An appropriate legislation was complied with in order to provide statements for the year ending 30 June 2007. To the best of my knowledge these financial statements are a fair presentation of the Council at the end of the abovementioned date and the results of its operations for the year then ended.

2. REVIEW OF OPERATING RESULTS

Presented below is a summary of operating results in respect of the year ended 30 June 2007. Detailed operating results are presented on Appendices C and D.

INCOME	**Actual 2005/06**	**Actual 2006/07**	**Variance Actual 05/06 VS Actual 06/07 %**	**Budget 2006/07**	**Variance Actual / Budget %**
Operating Income for the year	25,017,512	34,688,823	38%	42,348,050	(18%)
	25,017,512	**34,688,823**	**38%**	**42,348,050**	**(18%)**
EXPENDITURE					
Operating expenditure	10,016,410	26,057,134		29,831,143	(12%)
Capital expenditure	11,059,291	10,592,730		12,321,925	
Contributions to Funds		-		135,000	
	21,075,701	**36,649,864**	**73%**	**42,288,068**	**(13%)**
Surplus / (Deficit)	**3,941,811**	**(1,961,041)**	**-**	**59,982**	**-**

1.1 Commentary on the operating results

Revenue

The total revenue was below the budget by 18%. This can largely be attributed to the Municipal Infrastructure Grant (MIG) which was below budget by R2m. Furthermore, the municipality had budgeted rates of R2.2m, however, it was only able to recognize rates of R1.3m during the year.

Operational expenditure

Total operational expenditure budget amounts to R29 831 143 and the capital expenditure budget amounts to R12 321 925 resulting in an overall expenditure budget of R42 153 068. Actual operational expenditure is R26 057 134 and actual capital expenditure is R 10 592 730 resulting in an overall actual expenditure of R36 649 864.

The total operating expenditure is below the budget by 12%. This saving can largely be attributed to a reduction in general expenditure of 25% and repairs & maintenance of 16%.

for the year ended 30 June 2007

3. CAPITAL EXPENDITURE AND FINANCING

Total fixed asset additions during the year amounted to R10 592 730 (2006: R11 059 291). They are made up as follows:

Capital expenditure category	Budget 2007	Actual 2007	Variance Budget / Actual	Actual 2006
Buildings- Pound & MPCC	1,000,000	991,594	8,406	-
Community Centres	2,411,925	2,489,015	(77,090)	-
Fencing	300,000	317,056	(17,056)	43,645
Furniture and Office Equipments	90,000	84,300	5,700	832,365
Vehicles	470,000	-	470,000	1,497,276
Library Equipments	50,000	652	49,348	63,584
Pre- Schools	200,000	-	200,000	-
LED Projects	2,000,000	1,338,013	661,987	-
Access Roads- MIG	5,800,000	5,372,100	427,900	50,307
General Improvements	-	-	-	13,478,121
Plant and Equipment	-	-	-	3.640,383
	12,321,925	**10,592,730**	**1,729,195**	**19,605,679**
Financing of Fixed Assets				
Contribution from current Income	**12,321,925**	**10,592,730**	**1,729,195**	**19,605,679**
Contribution from Other Sources				**-**
Grants and Subsidies				**-**
	-	**-**	**-**	**-**

3. CAPITAL EXPENDITURE AND FINANCING (continued)

3.1 Commentary on capital expenditure and financing

The capital expenditure was below budget by 14%. The major contributing factors to the under-spending were: Road construction (R427 900); Vehicles (R470,000) and LED Projects (R661 987).

The total amount of the capital expenditure was financed through unconditional grant subsidies, a VAT refund of R5.3 million and reserves.

3. EXTERNAL LOANS INVESTMENTS AND CASH

The municipality has no external loans.

The R10m decrease in accumulated funds is due to prior errors identified in current year. The overall deficit of R1.9m was financed through the VAT refund of R5.3m.

The increase in short-term investments can be partly attributed to a call account with R2.2m balance at 30 June 2006 which was not reflected in the accounting records in prior year. The balance of this account at the end of 30 June 2007 amounted to R702,286

4. POST BALANCE SHEET EVENTS

No material events have occurred since the balance sheet date.

5. EXPRESSION OF APPRECIATION

I am grateful to the Mayor, the Executive committee of the Council, the Council, the Municipal Manager for the support they have given me and to the staff of the Finance Department and the local representatives of the Auditor-General for their assistance and support during the year.

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M. Mkatu
Chief Financial Officer
31 August 2007

1. Basis of presentation

1.1 The financial statements have been prepared so as to conform to the standards laid down by the Institute of Municipal Treasures and Accountants in its Code of Accounting Practice (1997) and on Report on Published Annual Financial Statements (Second edition – January 1996).

1.2 The financial statement are prepared on the historical costs basis, adjusted for fixed assets as more fully detailed in Accounting Policy note 6. The accounting policies are consistent with those applied in the previous year, except if otherwise indicated.

1.3 The financial statements are prepared on the accrual basis as stated:

- Income is accrued when measured and available to finance operations. Certain direct income is accrued when received, such as finances and certain licences.
- Expenditure is accrued in the period it is incurred.

2. Revenue

Revenue comprises of assessment rates and refuse income receivable for the year, sundry income and grant income which is either conditional or unconditional.

Assessment rates are levied at an approved annual rate on the value of land and buildings. Refuse is levied at approve monthly flat rates. Sundry income is accounted for on a cash receipt basis.

Government and related grants are recognized as revenue on an accrual basis and in accordance with the funding institution's annual disbursement plan as they relate to municipal statutory annual reporting period.

3. Project funds

Project funds are representative of external funding received in the past and set aside for pre-identified individual projects or a pre-defined general nature of intervention.

4. Reserves

Reserves are conditional grants previously granted to the municipality for pre-specified purposes.

5. Accumulated surplus

Accumulated surplus reflects the residual of revenue against the sum of operating and capital expenditure reduced by any other appropriations.

6. Property, Plant and Equipment

6.1 Property, plant and equipment is stated at cost or valuation where assets have been acquired by grant or donation, while they are in existence and fit for use.

6.2 Depreciation: The balance shown against the heading "Loans Redeemed and other Capital Receipts" in the notes to the balance sheet is tantamount to a provision for depreciation; however certain structural differences do exist. Through this "provision" assets are written down over their estimated useful life.

In the case of operating income the full cost of the acquired asset becomes a direct charge to the income statement. Loans are repaid within the estimated useful lives of assets acquired through such loans. The cost or value of such asset as financed is immediately credited to the "Loans Redeemed and other Capital Receipts" accounts.

6.3 Property, plant and equipment financed from different sources of funding which include external loans, designated or general grant subsidy income, operating income and various accumulated council funds.

6.4 All net proceeds from the sale of fixed assets are credited to the revolving fund.

7. Investments

Investments are stated at the lower of cost or market value if a permanent decline in the value occurred.

8. Retirement benefits

It is the policy of the council to provide retirement benefits for its personnel. Contributions to retirement benefits are charged against income as incurred.

9. Provisions

Provisions are recognized when the municipality has a present or a constructive obligation as a result of past events and is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the provision can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

NTABANKULU LOCAL MUNICIPALITY

BALANCE SHEET
at 30 June 2007

	Notes	2007	2006
		R	R

ASSETS

NON-CURRENT ASSETS		203,192	8,916,427
Property, plant and equipment	1	-	8,546,390
Long-term debtors	2	203,192	370,037
CURRENT ASSETS		16,640,957	21,988,376
Accounts receivable	3	4,427,473	13,111,228
Short term investments	4	11,095,051	8,877,148
Cash and cash equivalents		1,118,433	
TOTAL ASSETS		16,844,149	30,904,803

FUNDS AND LIABILITIES

FUNDS AND RESERVES		3,004,961	11,765,879
Funds (Project funds)	5	9,245,373	7,621,331
Accumulated surplus		-6,240,412	4,144,548
NON-CURRENT LIABILITIES		-	97,062
Long-term Liabilities	6	-	97,062
CURRENT LIABILITIES		13,839,188	19,041,862
Accounts payable	7	7,386,956	1,332,156
Provisions	8	1,031,053	16,322,776
Bank overdraft	9	5,421,179	1,386,930
TOTAL FUNDS AND LIABILITIES		16,844,149	30,904,803

NTABANKULU LOCAL MUNICIPALITY

INCOME STATEMENT
for the year ended 30 June 2007

2005/06 R Actual Income	2005/06 R Actual Expenditure	2005/06 R Surplus / (deficit)		Note	2006/07 R Actual Income	2006/07 R Actual Expenditure	2006/07 R Surplus / (deficit)
25,017,512	21,075,701	3,941,811	**GENERAL ADMINISTRATION**		34,688,823	36,649,864	(1,961,041)
			Community services		34,527,484	36,041,815	(1,514,331)
			Economic services		161,339	608,049	(446,710)
25,017,512	21,075,701	3,941,811	**TOTAL**		34,688,823	36,649,864	(1,961,041)
		3,941,811	Surplus / (Deficit) for the year				(1,961,041)
		202,738	Accumulated surplus / (Deficit) at the beginning of the year				4,144,548
			Prior year adjustments				
		202,738	Adjusted accumulated surplus / (Deficit) at the beginning of the year	11			(8,423,919)
		4,144,549	Accumulated surplus/ (Deficit) at the end of the year				(6,620,412)

NTABANKULU LOCAL MUNICIPALITY

CASH FLOW STATEMENT
for the year ended 30 June 2007

	Note	2007 R	2006 R
CASH RETAINED FROM OPERATING ACTIVITIES		**(178,554)**	**17,391,263**
Cash generated from operations	13	207,769	14,661,737
Investment income		-	1,399,776
Increase / (Decrease) in working capital	14	(386,324)	1,329,750
Contributions from Public or Government			
CASH FLOWS FROM INVESTMENT ACTIVITIES		**(2,046,340)**	**(20,666,092)**
Purchase of property, plant and equipment		(2,046,340)	(20,666,092)
CASH FLOWS FROM FINANCING ACTIVITIES		**1,526,980**	**(6,731,738)**
Increase/(Decrease) in Funds		1,624,042	(6,476,076)
Decrease in Long-term Liabilities		(97,062)	(255,662)
Net cash Inflow/(Outflow)		**(697,914)**	**(10,006,567)**
Increase/(Decrease) in short-term investments		2,217,903	(6,081,590)
(Decrease) / Increase in cash on hand		(2,915,817)	(3,924,977)
Net Cash Generated/(Utilised)		**(697,914)**	**(10,006,567)**

		2007	2006
		R	R
1.	**PROPERTY, PLANT AND EQUIPMENT**	**-**	**8,546,390**
	Total property, plant and equipment	56,250,127	19,605,680
	Balance at the beginning of the year	19,605,680	15,020,527
	Adjustment	36,644,477	
	Capital expenditure during the year	10,592,730	4,585,153
	Loans redeemed	-	(11,059,290)
	Contribution from grants and subsidies	(56,250,127)	
	Contribution from revenue		
	Detailed analysis of property, plant and equipment is Presented on appendix "B"		
2.	**LONG-TERM DEBTORS:**	**203,192**	**370,037**
	Computer Loans & Motor Vehicles	32,917	199,322
	Councillor's Pension Fund	170,275	170,275
	Study Loans	-	440
3.	**ACCOUNTS RECIEVABLE**	**4,427,473**	**13,111,228**
3.1	**Customer Debtors**	**2,740,700**	**2,675,572**
	Trade accounts receivable	4,020,345	3,955,217
	Provision for doubtful debts	(1,279,645)	(1,279,645)
3.2	**Sundry debtors**	**1,686,773**	**10,435,656**
	Other accounts receivable	-	1,322,308
	Vat	-	3,344,490
	Creditors with debit Balances	-	3,867,063
	Salary suspense debtor	-	212,893
	OR Tambo water and Sanitation	1,686,773	1,686,773
	Short-term portion of long-term debtors	-	2129

	2007	2006
	R	R

4. SHORT-TERM INVESTMENTS

Capital projects/equitable share call account	-	
Local Economic Development(LED) call account	-	(1)
471 Housing call account	1,272,165	1,465
Bomvini call account	84,748	81,505
Councillors allowances call account	-	523,696
Free Basic electricity call account	1,283,567	1,855,499
Free Basic Services	779,466	871,144
Free Basic Water call account	682,468	788,440
Housing project call account	-	171,460
Institutional development call account	1,278,024	150,856
Institutional development plan (IDP)	177,920	118,513
Leave reserve call account	275,357	275,357
Mbongweni Fund call account	5,358	5,362
Mfundisweni fund call account	2,366	2,425
Municipal support programme	222,086	1,168,549
Poverty alleviation call account	193.102	185,698
Revolving Credit	-	-
Tender fees call account	75,803	72,945
Transitional grant call account	225	137,893
Revolving fund call account	185,577	391,854
Vukani Mangqamza call account	1,058,318	1,017,139
Chibini call account	102,024	98,375
Finance Management Grant call account	391,383	220,996
Isilindini call account	105,710	101,662
Municipal Systems Improvement Grant (MSIG) call	652,587	517,678
Operations call account	693,884	63,540
Rentention Call Account	701,941	-
MIG Call Account	702,287	-
Capital Project call account	168,687	55,095
	11,095,051	**8,877,148**

		2007	2006
		R	R
5.	**FUNDS**	**9,245,373**	**7 522 956**
5.1	**Statutory Funds**	**185,577**	**-**
	Revolving fund	185,577	-
5.2	**Trust Funds**	**177,920**	**-**
	IDP	177,920	-
5.3	**Project Funds**	**8,881,876**	**7 522 956**
471 Housing		1,272,165	1,465
Bomvini Fund		84,748	81,505
Chibini Sports Field		102,024	749
Chibini Survey and Planning		-	98,376
Finance Management Grant		391,383	220,996
Free Basic Electricity fund		1,283,567	1,855,500
Free Basic Services fund		779,466	871,144
Free Basic Water fund (Isilindini Community Hall)		682,468	788,440
IDP Fund		-	118,513
Institutional Fund		1,278,024	150,856
Mbongweni Fund		5,358	5,362
Mfundisweni Fund		2,366	2,425
Municipal Infrastructure		702,287	-
Municipal System Improvement (MSIG)		682,586	517,678
MSP Fund		222,086	1,168,549
New Community Hall		-	28,286
Nzwakazi Sports Field		-	749
Poverty alleviation		193,102	185,698
Transitional Fund		225	137,893
Vukani Mangqamza Fund (Isilindini Survey)		1,164,028	1,118,801
Yandlala Mpisini		35,992	-

		2007	2006
		R	R
6.	**LONG-TERM LIABILITIES**		
	Long-term loans	-	97,062
	This relates to a Development Bank of Southern Africa (DBSA) loan.		
7.	**ACCOUNTS PAYABLE**	**7,386,956**	**1,332,156**
	Trade creditors and accruals	561,737	561,737
	Other Creditors	6,825,219	770,419
8.	**PROVISIONS**	**1,031,053**	**16,322,776**
	Leave pay provision	668,287	668,287
	Accounting and Audit fees provisions	362,766	750,626
	Sundry provisions at year end	-	14,903,863
9.	**BANK AND CASH**	**(4,302,745)**	**(1,386,930)**
	Cash on hand	107,954	101,652
	Meeg Bank Main Account	(5,421,179)	(2,649,564)
	First National Bank Main Account	953,744	953,744
	Standard Bank Housing Account	20,741	171,298
	Standard Bank Yandlala Mpisini Account	35,992	35,940
10.	**COUNCILLORS' REMUNERATION**	**7,314,277**	**2,306,540**
	Mayor's allowances	1,655,845	1,080,116
	Councillor's allowance	5,658,432	1,226,424
11.	**PRIOR YEAR ADJUSTMENTS**	**(8,423,919)**	**-**
	The prior year adjustment relates to errors identified in Funds, Investments and Fixed Assets. This adjustment corrects these fundamental errors.		

		2007	2006
		R	R
12.	**CAPITAL COMMITMENTS**		
	Commitments in respect of capital expenditure:		
	-Approved and contracted for	**380,284**	-
	This expenditure will be financed from:		
	-Internal sources	380,284	-
13.	**CASH GENERATED FROM OPERATIONS**	**207,769**	**14,661,737**
	Surplus/ (Deficit) for the year	(1,961,041)	3,941,811
	Adjustments in respect of:		
	Prior year adjustments	(8,423,919)	-
	Capital expenditure	10,592,730	12,119,702
	Interest received	-	(1,399,776)
14.	**INCREASE/(DECREASE) IN WORKING CAPITAL**	**(386,324)**	**1,329,750**
	(Increase)/Decrease in accounts receivable	8,683,755	(6,572,492)
	Long term debtors		
	Increase/(Decrease) in creditors	(9,236,923)	7,660,080
	(Increase)/Decrease in Long-term debtors	166,845	242,162

NTABANKULU LOCAL MUNICIPALITY

STATUTORY FUNDS, TRUST FUNDS, PROJECT FUNDS AND RESERVES **APPENDIX A**
for the year ended 30 June 2007

	Balance at 30 June 2006	Contribution during the year	Interest on investment	Other income	Expenditure / Charges	Balance at 30 June 2007
STATUTORY FUNDS						
Revolving fund	-	391,854	8,901	-	(215,179)	185,577
	-	**391,854**	**8,901**	**-**	**(215,179)**	**185,577**
TRUST FUNDS	**118,513**	**475,000**	**8,036**	**-**	**(423,627)**	**177,920**
IDP Fund	118,513	475,000	8,036	-	(423,629)	177,920
PROJECT FUNDS						
471 Housing	1,465	14,251,011	45,622	-	(13,025,934)	1,272,165
Bomvini Fund	81,505	-	3,244	-	-	84,749
Chibini Survey and Planning	98,141	-	3,883	-	-	102,024
Finance Management Grant	220,996	500,000.00	11,600	-	(341,212)	391,383
Free Basic Electricity fund	1,855,500	916,143	61,568	-	(1,549,643)	1,283,568
Free Basic Services fund	871,144	710,362	25,264	-	(827,304)	779,465
Free Basic Water fund (Isilindini Community Hall)	788,440	2,333,176	44,625	-	(2,483,773)	682,468
Institutional Fund	150,856	1,705,253	32,168	-	(610,253)	1,278,024

STATUTORY FUNDS, TRUST FUNDS, PROJECT FUNDS AND RESERVES (Continued) **APPENDIX A**
for the year ended 30 June 2007

	Balance at 30 June 2006	Contribution during the year	Interest on investment	Other income	Expenditure / Charges	Balance at 30 June 2007
Mbongweni Fund	5,362	-	73	-	(78)	5,357
Mfundisweni Fund	2,425	-	24	-	(82)	2,367
Municipal System Improvement (MSIG)	517,678	916,625	24,520	-	(806,237)	682,586
MSP Fund	1,168,549	22,500	19,800	-	(988,763)	222,086
New Community Hall	28,286	-	-	-	-	28,286
Nzwakazi Sports Field	749	-	-	-	-	749
Poverty alleviation	185,698	-	7,404	-	-	193,102
Transitional Fund	137,893	-	298	-	(137,966)	225
Vukani Mangqamza Fund and Isilindini Survey)	1,118,801	-	45,227	-	-	1,164,028
Municipal infrastructure	2,242,903	3,332,233	61,137		(4,933,982)	702 287
Yandlala Mpisini	35,940.44	655	-	-	(603)	35,992
	7,404,443	**26,996,029**	**387,229**	**-**	**(25,905,820)**	**8,881,881**
Total funds	**7,522,956**	**27,862,882**	**404,166**	**-**	**(26,544,627)**	**(9,245,373)**

NTABANKULU LOCAL MUNICIPALITY

ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT **APPENDIX B**

for the year ended 30 June 2007

	Balance as at 30 June 2006	Expenditure	Written-off / Transferred	Balance as at 30 June 2007
Rates and general services				
Community services				
Land and buildings	1,223,574	991,594	-	2,215,168
Plant and equipment	8,463,490	-	-	8,463,490
Office equipment	716,018	84,952	-	800,970
Road construction	31,387,558	5,372,100	-	36,759,658
Fencing	101,703	317,056	-	418,759
Waterworks infrastructure	147,307	-	-	147,307
Motor vehicles	148,165	-	-	148,165
Testing Ground	3,469,584	-	-	3,469,584
Monuments	-	-	-	
Local Economic Development	-	1,338,011	-	1,338,011
Ward centres	-	2,489,015	-	2,489,015
Economic services				
Sanitation	-	-	-	-
TOTAL PROPERTY, PLANT AND EQUIPMENT	**45,657,397**	**10,592,730**	**-**	**56,250,127**
Less: Loans redeemed and other capital receipts				
Loans redeemed				
Revenue contribution to capital	45,657,397	10,592,730	-	56,250,127
Grants and subsidies				
NET PROPERTY, PLANT AND EQUIPMENT	**-**	**-**		**-**

NTABANKULU LOCAL MUNICIPALITY **APPENDIX C**

ANALYSIS OF OPERATING INCOME AND EXPENDITURE
for the year ended 30 June 2007

Actual 2006 R		Actual 2007 R	Budget 2007 R
	INCOME		
21,641,391	Grants and subsidies:	32,582,973	24,308,000
931,789	- Provincial Government	-	-
20,709,602	- Central Government (Equitable share)	24,307,615	24,308,000
	- Other	8,275,358	-
3,376,121	Operating income:	2,105,850	18,040,050
1,347,168	- Assessment rates	1,353,830	2,228,840
131,380	- Refuse	161,339	150,000
28,527	- Sanitation fees	-	150,000
1,869,046	- Other income	590,681	15,511,210
25,017,512	Total income	34,688,823	42,348,050
	EXPENDITURE		
18,548,032	Total operating expenditure	26,057,134	29,966,143
9,254,008	Salaries, wages and allowances	15,235,576	15,516,486
6,761,899	General expenses	9,355,083	12,561,657
-	Bad debts	-	-
2,532,125	Repairs and maintenance	1,466,475	1,753,000
	Contribution to funds	-	135,000
11,059,291	Contribution to property, plant and equipment	10,592,730	12,321,925
29,607,323	Total expenditure	36,649,864	42,288,068
(5,521,600)	**SURPLUS/(DEFICIT) FOR THE YEAR**	**(1,961,041)**	**59,982**

NTABANKULU LOCAL MUNICIPALITY

DETAILED INCOME STATEMENT **APPENDIX D**

for the year ended 30 June 2007

2006 R Actual Income	2006 R Actual Expenditure	2006 R Surplus / (deficit)			2007 R Actual Income	2007 R Actual Expenditure	2007 R Surplus / (deficit)
25,017,512	**21,075,702**	**3,941,810**	**RATES AND GENERAL SERVICES**		**34,688,823**	**36,649,864**	**(1,961,041)**
24,886,132	**20,337,866**	**4,548,266**	**Community Services**		**34,527,484**	**36,041,815**	**(1,514,331)**
	2,952,845		Administration & HR			2,999,308	
	2,160,620		Community Service			4,538,215	
	1,899,154		Councillors			6,366,270	
	4,585,853		Engineering			10,555,311	
24,886,132	3,705,692		Finance		34,527,484	5,288,752	
	2,466,920		Mayor			2,896,186	
	1,366,013		Municipal Manager			1,131,957	
	443,494		Information technology			1,542,551	
	757,275		Public safety			723,265	
			Water distribution				
131,380	**737,836**	**(606,456)**	**Economic Services**		**161,339**	**608,049**	**(446,710)**
131,380	737,836	(606,456)	Refuse removal		161,339	608,049	
25,017,512	21,075,702		Deficit for the year		**34,688,823**	**36,649,864**	(1,961,041)
		3,941,810	Surplus for the year				
		202,738	Accumulated surplus at the beginning of the year				4,144,548
			Prior year adjustments	11			(8,423,919)
		4,144,548	Accumulated surplus at the end of the year				(6,240,412)

NTABANKULU LOCAL MUNICIPALITY **APPENDIX E**

STATISTICAL INFORMATION
for the year ended 30 June 2007

GENERAL STATISTICS

1. Population

Age group	Age group as percentage of total	Total population	Males	Females
0 - 14	57%			
15 - 34	19%			
35 – 64	18%			
65 and over	6%			
Total	**100%**	**136,389**	**45,010**	**91,379**

2. Assessment rates

2.1 Property valuation and assessment rates

	Valuation	Actual income 2007	Actual income 2006
State owned property	8,902,290	45,871	
Commercial and residential	65,397,971	1,307,959	2,228,840
Total valuation	**74,300,261**	**1,353,830**	**2,228,840**

General valuations on land and buildings are performed every five years.
The last general valuation came into effect on August 2000.

The assessment rates were as follows:

- Commercial and Residential 0.02 cents per rand
- State owned properties 0.02 cents per rand